



Press release

Paris, July 14, 2022

AXA Germany to sell a closed life and pensions portfolio

- Significant milestone for in-force reduction objective with the disposal of Euro 16 billion of G/A¹ reserves.
- Further reduction of the Group's exposure to financial markets.
- Offset of Underlying Earnings dilution by way of share buy-back expected following closing.
- AXA and Athora are committed to ensuring a smooth transition and to maintaining a high standard of service towards policyholders.

AXA announced today that AXA Germany has entered into an agreement with Athora Deutschland GmbH ("Athora Germany"), a licensed insurer in Germany, to sell a portfolio of Euro 16 billion of life and pensions insurance reserves in Germany. The portfolio has been closed to new business since 2013 and is mainly composed of traditional Savings policies, with an average guaranteed rate² of 3.2%. The reduction of guarantees on AXA's balance sheet resulting from the sale will further diminish the Group's exposure to financial market risk.

Under the terms of the agreement, AXA Germany will sell the portfolio to Athora Germany for a consideration of Euro 660 million³, representing an implied multiple of 18x 2022E earnings⁴. The sale is expected to result in estimated net cash proceeds of Euro 0.4 billion to AXA S.A. AXA intends to offset the earnings dilution from the disposal with a share buyback to be launched following the closing of the transaction. As part of the transaction, AXA IM will enter into an agreement to provide asset management services to Athora until 2028.

*"The sale of this portfolio marks an important milestone in the journey to optimize our Life & Savings in-force portfolios across the Group", said **Frédéric de Courtois, Deputy Chief Executive Officer of AXA.** "Upon completion of this transaction, we will have secured Euro 24 billion out of the Euro 30-50 billion target reduction in traditional G/A reserves that we set for the Group. We are pleased with this transaction that will further improve the Group's risk profile and enhance our cash position."*

¹ General account reserves, under IFRS, estimated as of half-year 2022.

² Weighted-average guaranteed interest rate as of full-year 2021, based on local statutory reserves.

³ Consideration subject to potential contractual adjustments.

⁴ 2022 estimated underlying earnings of the portfolio under IFRS standards.



AXA and Athora are committed to ensuring a smooth transfer of the portfolio and, as such, AXA Germany will provide administrative services to support Athora Germany until 2028. Thereafter, Athora Germany will take over the management of the contracts with all guarantees, terms and conditions remaining unchanged.

*“This transaction was designed from its genesis with the interest of our customers and employees in mind”, said **Antimo Perretta, Chief Executive Officer of AXA in Europe.** “The agreement we signed today with Athora will ensure a smooth transition while maintaining the highest standard of service to our policyholders. Life insurance remains a strategic core business area for AXA Germany, and as such we will continue to offer our customers and insurance partners an attractive and comprehensive range of capital-light Retirement and Savings products.”*

Financial impacts

- The sale will have an immaterial impact on AXA Group’s Net Income in 1H22.
- The transaction is expected to result in a reduction of AXA Group’s Underlying Earnings⁵ of ca. Euro 36 million per annum from 2023 onwards.
- The disposal will have an immaterial impact on AXA Group’s Solvency II ratio.

The transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is currently expected to close in the fourth quarter of 2023.

⁵ Under current IFRS accounting standards.



ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 149,000 employees serving 95 million clients in 50 countries. In 2021, IFRS revenues amounted to Euro 99.9 billion and underlying earnings to Euro 6.8 billion. AXA had Euro 1,051 billion in assets under management as of December 31, 2021.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.

This press release and the regulated information made public by AXA pursuant to article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the Autorité des marchés financiers' General Regulation are available on the AXA Group website (axa.com).

THIS PRESS RELEASE IS AVAILABLE ON THE AXA GROUP WEBSITE axa.com

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IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP FINANCIAL MEASURES

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward-looking statements. Please refer to Part 5 - "Risk Factors and Risk Management" of AXA's Universal Registration Document for the year ended December 31, 2021 (the "2021 Universal Registration Document") for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition, this presentation refers to certain non-GAAP financial measures, or alternative performance measures ("APMs"), used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. In particular, we refer herein to the APM "underlying earnings". In each case, this APM and any other non-GAAP financial measures used in this presentation are defined in the Glossary set forth in Appendix V on pages 501 to 505 of AXA's 2021 Universal Registration Document. In addition, a reconciliation from the APM underlying earnings to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 49 and 50 of the 2021 Universal Registration Document.